

Washington, DC – Congressman Sanford D. Bishop, Jr. (GA-02) today announced his support for H.R. 1586, the Education Jobs and Medicaid Assistance Act, which passed the House today by a vote of 247 to 161. The bill, which is fully offset by closing tax loopholes and cutting spending, provides \$10 billion for aid to local school districts to prevent layoffs in elementary and secondary schools, saving an estimated 161,000 education jobs nation-wide, and 5,700 jobs in the State of Georgia. According to the Center for Budget and Policy Priorities (CBPP), the State of Georgia is estimated to receive under this legislation \$322 million in additional education support.

“The education of our nation’s youth goes hand-in-hand with America’s economic recovery,” said Congressman Bishop. “In Georgia this week, most of the school districts are opening. The sooner this bill becomes law, the sooner our school districts will be able to rehire teachers, stop planned layoffs, and prepare our children for future success.”

In addition to the education aid, H.R. 1586 extends enhanced federal Medicaid funding to states, through June 30, 2011. CBPP estimates that Georgia will receive an additional \$228 million in Medicaid assistance. Many states, including Georgia, have budgeted for the receipt of federal Medicaid dollars. Failure to pass this legislation would have caused states to lose significant amounts of fiscal relief, leading to a loss of state jobs.

Under the Recovery Act, enacted in February 2009, the federal Medicaid matching rate was increased by 6.2 percentage points for all states and by additional percentage points for states with high unemployment (including Georgia). These temporary provisions were enacted in response to the state fiscal crisis – with increasing Medicaid caseloads and decreasing state revenues resulting from the deep recession. The provisions are scheduled to expire on December 31, 2010.

This bill would continue the additional federal assistance for six months (from January 1, 2011 through June 30, 2011), but would phase the level of assistance down. For January – March 2011, the federal Medicaid matching rate would be increased by 3.2 percentage points for all states, and for April – June 2011, the federal matching rate would be increased by 1.2 percentage points for all states. For this six-month period, states with high unemployment would continue to receive the additional percentage points, as they do under current law. These provisions will ensure that states continue to receive increases throughout state fiscal year 2011 (which runs from July 1, 2010 through June 30, 2011).

“These Medicaid funds will plug a huge hole in Georgia’s state budget,” said Congressman Bishop. “It will prevent the state from laying off more firefighters and police officers, cutting more services, raising taxes, and slowing down the economic recovery that is already underway.”

Earlier this year, 42 governors wrote to Congress seeking the Medicaid assistance – including Georgia Governor Sonny Purdue. The National Governors Association stated in a June letter that, “Governors continue to support a two-quarter extension of the [Medicaid aid] ...as the most efficient way to help states avoid further layoffs and service cuts that could otherwise slow the recovery.”

“My colleagues and I have heard the request of the Governors, and we are proud to do all we can to ensure Americans have jobs and services available to them,” said Congressman Bishop.

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